

AMENDED IN ASSEMBLY APRIL 16, 2012

AMENDED IN ASSEMBLY APRIL 9, 2012

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2208

Introduced by Assembly Member Perea

February 23, 2012

An act to ~~add~~ *amend* Section ~~116337 to 116760.90~~ of the Health and Safety Code, relating to drinking water, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2208, as amended, Perea. ~~Community water systems; community of Lanare.~~ *Drinking water.*

Existing law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health. Existing law, the Safe Drinking Water State Revolving Fund Law of 1997, establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the department for the provision of grants and revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law ~~limits grants for planning, engineering studies, environmental documentation, and design of a single project to \$500,000~~ *prohibits the department from approving applications for this funding unless the department determines the proposed study or project meets specified criteria.*

This bill would state the intent of the Legislature to require the department to consider regional solutions when awarding grant money to provide clean water to underserved communities. This bill would authorize the department to combine proposed studies and projects from multiple applicants to enable these applicants to meet safe drinking water standards in a cost-effective manner. This bill would require the department to give priority to those proposed studies or projects that consolidate services, especially in unincorporated communities, as specified.

~~Existing law, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, authorizes the issuance of general obligation bonds, a portion of which is made available to the department, upon appropriation by the Legislature, to address the most critical water needs of the state, including the provision of safe drinking water to all Californians, the protection of water quality and the environment, and the improvement of water supply reliability.~~

~~This bill would require the Lanare Community Services District to conduct a feasibility study, as prescribed, that would, in part, consider the consolidation or merger of the community water systems of the communities of Lanare and Riverdale, to identify and recommend a project that would solve arsenic contamination in the community of Lanare. This bill would prohibit the department from taking action on any project relating to the community water system of the community of Riverdale until this feasibility study is complete. This bill would provide that if the study recommends the consolidation or merger of these community water systems, and if either community, or both, applies to the department for funding from the funds described above, any funds awarded by the department shall be used to implement the study's recommendation. By requiring the Lanare Community Services District to conduct a feasibility study, this bill would impose a state-mandated local program.~~

~~This bill would appropriate unspecified sums from the Safe Drinking Water State Revolving Fund and the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 to the department for the purposes of remitting funds to the Lanare Community Services District to compensate the district for the costs of implementing these provisions.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

Vote: majority. Appropriation: ~~yes~~-no. Fiscal committee: yes.
State-mandated local program: ~~yes~~-no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) *It is the intent of the Legislature to require*
2 *the State Department of Public Health to consider regional*
3 *solutions when awarding grant money to provide clean water to*
4 *underserved communities.*

5 (b) *Requiring the department to consider regional solutions*
6 *should prevent situations like the one currently faced by the small*
7 *central valley communities of Lanare and Riverdale. The*
8 *communities of Lanare and Riverdale, whose arsenic-contaminated*
9 *water systems are only three miles apart from each other, have*
10 *both received public funds to give them access to clean water, yet*
11 *the option of a joint solution has not been thoroughly considered.*
12 *Instead, an unaffordable water treatment plant was built in Lanare*
13 *and drove the community into debt before the plant shut down,*
14 *while a new water treatment plant is currently being proposed for*
15 *Riverdale.*

16 (c) *For the sake of these small communities, and other*
17 *communities like them, the State of California must improve its*
18 *governmental practices and develop affordable solutions to water*
19 *contamination by considering solutions that help as many people*
20 *as possible, including the consolidation of water systems between*
21 *communities in close proximity that suffer from similar problems.*

22 SEC. 2. *Section 116760.90 of the Health and Safety Code is*
23 *amended to read:*

24 116760.90. (a) *The department shall not approve an application*
25 *for funding unless the department determines that the proposed*
26 *study or project is necessary to enable the applicant to meet safe*
27 *drinking water standards, and is consistent with an adopted*
28 *countywide plan, if any. The department may refuse to fund a*

study or project if it determines that the purposes of this chapter may more economically and efficiently be met by means other than the proposed study or project. The department shall not approve an application for funding a project with a primary purpose to supply or attract future growth. The department may limit funding to costs necessary to enable suppliers to meet primary drinking water standards, as defined in Chapter 4 (commencing with Section 116270).

(b) With respect to applications for funding of project design and construction, the department shall also determine all of the following:

(1) Upon completion of the project, the applicant will be able to supply water that meets safe drinking water standards.

(2) The project is cost-effective.

(3) If the entire project is not to be funded under this chapter, the department shall specify which costs are eligible for funding.

(c) (1) The department, when evaluating applications for funding for proposed studies and projects, may combine proposed studies and projects from multiple applicants to enable these applicants to meet safe drinking water standards in a cost-effective manner.

(2) The department shall give priority to those proposed studies or projects that consolidate services, especially in unincorporated communities, pursuant to an adopted countywide plan or a recommendation contained in a service review, pursuant to Section 56430 of the Government Code, made by a local agency formation commission within the previous five calendar years.

~~(e)~~

(d) In considering an application for funding a project that meets all other requirements of this chapter and regulations, the department shall not be prejudiced by the applicant initiating the project prior to the department approving the application for funding. Preliminary project costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred by the applicant prior to the department approving the application for funding. Construction costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred after the approval of the application by the

1 department but prior to the department entering into a contract
2 with the applicant pursuant to Section 116761.50.

3 ~~SECTION 1. Section 116337 is added to the Health and Safety~~
4 ~~Code, to read:~~

5 ~~116337. (a) The Lanare Community Services District shall~~
6 ~~conduct, publish, and submit to the State Department of Public~~
7 ~~Health, as soon as practicable, a feasibility study to identify and~~
8 ~~recommend a project that will solve arsenic contamination in the~~
9 ~~community of Lanare. The feasibility study shall, at a minimum,~~
10 ~~do all of the following:~~

11 ~~(1) Identify and analyze potential projects, including, but not~~
12 ~~limited to, the consolidation or merger of the community water~~
13 ~~systems of the Lanare Community Services District and the~~
14 ~~Riverdale Public Utilities District.~~

15 ~~(2) Identify the long-term costs and the cost-effectiveness of~~
16 ~~each project, including whether the ongoing costs of operations~~
17 ~~and maintenance can be supported by the ratepayers in the~~
18 ~~community of Lanare.~~

19 ~~(3) Recommend the project that is the most feasible, effective,~~
20 ~~and cost-effective solution to arsenic contamination in the~~
21 ~~community of Lanare.~~

22 ~~(b) The department shall not take action on any project relating~~
23 ~~to the community water system of the community of Riverdale~~
24 ~~until the Lanare Community Services District completes the~~
25 ~~feasibility study pursuant to subdivision (a).~~

26 ~~(c) If the study recommends consolidation or merger of the~~
27 ~~community water systems of the community of Lanare and the~~
28 ~~community of Riverdale, and if either community, or both, applies~~
29 ~~to the department for funding from the Safe Drinking Water State~~
30 ~~Revolving Fund or the Safe Drinking Water, Water Quality and~~
31 ~~Supply, Flood Control, River Coastal Protection Fund of 2006,~~
32 ~~any funds awarded by the department shall be used to implement~~
33 ~~the study's recommendation.~~

34 ~~(d) The sum of _____ dollars (\$_____) is hereby appropriated~~
35 ~~from the Safe Drinking Water State Revolving Fund and the Safe~~
36 ~~Drinking Water, Water Quality and Supply, Flood Control, River~~
37 ~~and Coastal Protection Fund of 2006 to the department for the~~
38 ~~purpose of compensating the Lanare Community Services District~~
39 ~~for the costs of conducting the feasibility study required by~~
40 ~~subdivision (a).~~

1 ~~SEC. 2.—If the Commission on State Mandates determines that~~
2 ~~this act contains costs mandated by the state, reimbursement to~~
3 ~~local agencies and school districts for those costs shall be made~~
4 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
5 ~~4 of Title 2 of the Government Code.~~

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